

Because every life has a purpose...



Oppenheimer Industrial Growth Conference

May 11, 2016



**Kenneth Krause, Vice President, Chief Financial Officer and Treasurer
MSA Safety Inc.**

Safe Harbor

Except for historical information, certain matters discussed in this document may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, all projections and anticipated levels of future performance. These forward looking statements involve risks, uncertainties and other factors that may cause our actual results to differ materially from those discussed herein. Actual results can be affected by any number of factors, many of which are outside of management's control. The factors that could cause such differences include but are not limited to economic conditions, spending patterns of government agencies, competitive pressures, product liability claims, the success of new product introductions, currency exchange rate fluctuations, the impact of acquisitions and related integration activities and the risks of doing business in foreign countries. These risks, uncertainties and other factors are detailed from time to time in our filings with the United States Securities and Exchange Commission ("SEC"). You are strongly urged to review all such filings for a more detailed discussion of such risks and uncertainties. MSA's SEC filings are readily obtainable at no charge at www.sec.gov and on our investor relations website at <http://investors.MSAafety.com>. MSA undertakes no duty to publicly update any forward looking statements contained herein, except as required by law.

Non-GAAP Measures

This document includes reference to certain non-GAAP financial measures. These financial measures include local currency revenue growth and adjusted earnings per share. The presentation of these financial measures does not comply with U.S. generally accepted accounting principles ("GAAP"). For an explanation of these measures, together with a reconciliation to the most directly comparable GAAP financial measure, see the appendix.

MSA Safety

A global safety equipment provider



Ticker

MSA (NYSE)

Headquarters

Cranberry Township, PA

Employees

Approximately 4,600

Market Cap

~\$1.8 billion

52-Week Range

\$37.68 - \$54.54

Indices

Russell 2000, S&P MidCap 400

Longevity

Management team with deep knowledge of products and markets; long history of protecting the health and safety of workers and facility infrastructures across the globe

Recent Recognition

Named by Ethisphere Institute as a 2016 World's Most Ethical Company



Industry leader selling differentiated safety products across diverse markets and geographies

Key Focus Areas and Long Term Results



Executing the corporate strategy throughout our reporting segments

Advance the Core of MSA

- ✓ 5 year CAGR of 11% in core product revenue (8% organic)
- ✓ Strong returns on organic R&D investments and strategic acquisitions
- ✓ SCBA replacement cycle and market share gain - new G1 model driving significant growth

Optimize our Presence in Emerging Markets

- ✓ 5 year CAGR of 13% in emerging market revenue (10% organic)
- ✓ New and developing safety standards drive increased demand for MSA products
- ✓ Long term growth engine, despite short-term headwinds in certain regions like Brazil and China

Achieve Operational Excellence

- ✓ 5 year Gross Profit improvement of 550 basis points
- ✓ New products, strategic pricing and lower manufacturing costs
- ✓ Executing cost reduction program and other transformation initiatives to drive operating margin expansion and earnings growth

Effective Capital Deployment

- ✓ Capital allocation strategy includes investing to drive growth in our business, funding an increasing dividend payment, servicing debt obligations and repurchasing common stock to offset dilution
- ✓ Acquisition of UK-based Latchways funded with offshore cash and incremental borrowings
- ✓ Increasing dividend for nearly 50 years – 2.7% yield (as of 5/5/16)

Americas

International

Growth rates are stated in local currency.

Organic growth excludes acquisitions of General Monitors and Latchways.

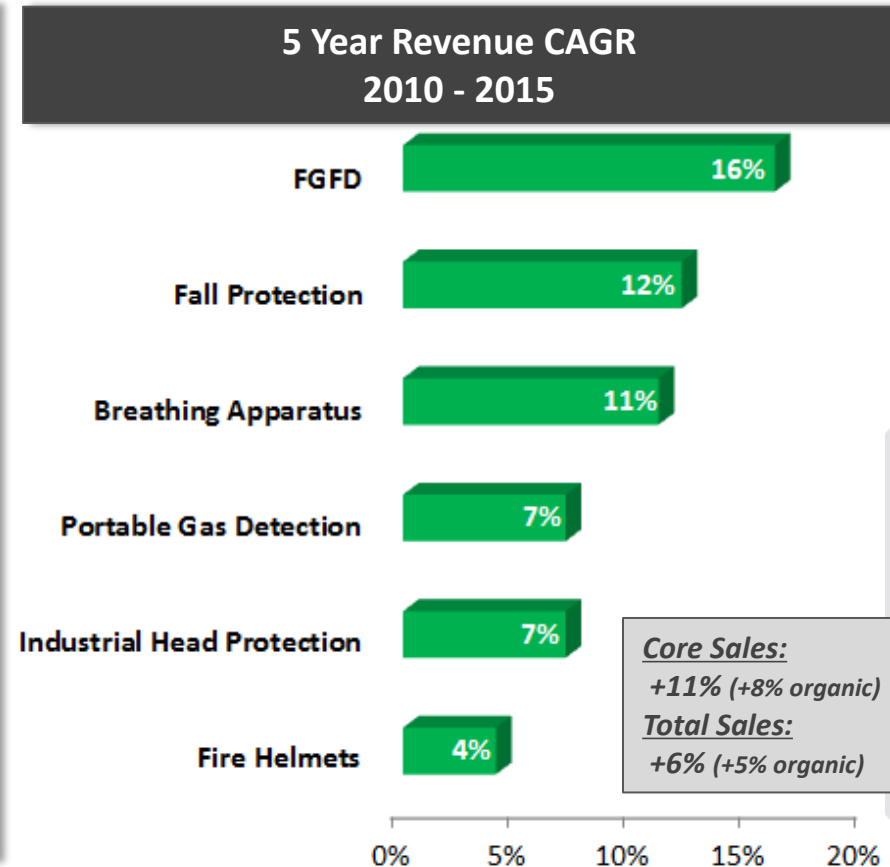
Creating shareholder value with a focus on our corporate strategy.

Long Term and Recent Revenue Performance



Source of growth shifted in 2015, with strong results in the fire service offsetting headwinds in energy markets

	2015 Annual Revenue Growth
Breathing Apparatus	52%
Fall Protection	22%
Fire and Rescue Helmets	9%
Fixed Gas and Flame Detection	(2)%
Portable Gas Detection	(7)%
Industrial Head Protection	(9)%
Total Core Products	11%
Non-Core Products	(4)%
Total Sales (local currency)	8%
FX Translation Headwind	(8)%
GAAP Reported Sales	-%



*Growth rates are stated in local currency except as indicated otherwise.
Organic growth excludes acquisitions of General Monitors and Latchways, and divestitures of North American ballistic products businesses.*

Diverse portfolio provides consistent mid-single digit local currency sales growth – despite challenging business cycles in certain markets.

Q1 2016 Highlights



- **Diversified portfolio supporting revenue growth in challenging business cycle**

- Local currency core product revenue growth of 15% (8% organic)
- Local currency total revenue growth of 13% (7% organic)
- Shipments of SCBA to global fire service markets leading core product growth
- FGFD business holding up well despite market headwinds - recurring revenue stream and international markets providing support

Total
Sales
+13%

- **Operating leverage and EPS growth from cost savings programs**

- Restructuring program executed in 2015 generating strong results; continue to expect \$10 million of operating cost savings in 2016
- SG&A expense down 5% in local currency on the 7% increase in local currency organic revenue
- Operating income increased 27% in the quarter on strong top line growth and cost controls
- Adjusted earnings of \$0.48 per diluted share compared to \$0.42 per diluted share a year ago

Operating
Income
+27%

- **Creating shareholder value through strategic investments and return of capital**

- Strong results from R&D investments – 34% of total sales in the quarter from products developed and launched in the past 5 years
- Latchways acquisition was accretive to MSA earnings by \$1 million or \$0.03 per diluted share in first full quarter of ownership
- Returned \$12 million to shareholders through dividend payment

Latchways
Earnings
Accretion
+\$1M

Strong performance in challenging macro environment

Winning in Global Fire Service Markets

Differentiated products driving market share gains



SCBA growth in global fire service markets

- ✓ Ongoing replacement cycle and conversion of competitive accounts driving unprecedented revenue growth in U.S. SCBA
- ✓ Over 50% of all incoming orders for G1 SCBA are competitive conversions
- ✓ Success in emerging markets supporting global strength – recent wins in Chile and China
- ✓ In Q1 2016, International breathing apparatus increased 13%, Americas breathing apparatus increased 57% - driving **global year over year growth of 40%**



Innovative Technologies

- ✓ Developed a personal thermal imaging camera (TIC) that is integrated into the G1 SCBA's central control module
- ✓ Submitted integrated TIC for regulatory approval; available on a pre-order basis
- ✓ Launched three new prototype concepts at 2016 FDIC show that allow incident commanders to remotely monitor a broad range of data to enhance firefighter safety

Organic R&D investments yielding strong returns in the fire service market

Latchways Acquisition



A strategic acquisition in the growing fall protection market

- ✓ Fall protection is one of the largest and fastest growing areas of the safety market – between \$1.5 - \$2.0B and expected to grow in the mid single digits over the next several years
- ✓ Closed on the acquisition of UK-based Latchways in October 2015; integration activities progressing well
- ✓ Latchways Q1 2016 revenue of \$16 million reflects a 19% local currency increase from a year ago; earnings accretion of \$1 million or \$0.03 per diluted share in the first full quarter of ownership
- ✓ Expect full year 2016 earnings accretion of \$0.05 - \$0.10 per diluted share – driven by cost synergies and recovery in the base business



Two Great Companies. One Great Connection.

Geographies

- ✓ Extends MSA's geographic footprint with strong market share in Europe and the UK

Products

- ✓ Leader in highly engineered fall protection solutions

Markets

- ✓ Broadens MSA's opportunities and provides access to new end markets such as utilities, wind energy and aircraft maintenance; diversifying MSA's FP line away from oil and gas

Utilizing strong capital structure to fund inorganic growth in attractive markets

Restructuring Investments

Executed a cost reduction program to mitigate impact of challenging business conditions



Challenging conditions in certain markets and geographies

- Weak conditions in **oil and gas markets** – approx. 10% of consolidated revenue is exposed to lower employment levels in the industry and 5-10% is susceptible to lower capital spending
 - Incoming orders in employment related products are relatively consistent with a year ago – not seeing an indication of broad-based recovery in these areas
 - FGFD business holding up well on geographic differentiation and recurring revenue stream
- Mixed conditions in **key emerging markets** are tempering growth rates:
 - Brazilian recession continues; slower economic growth in China
 - Middle East, Mexico and parts of Latin America are still healthy and expected to be a source of strength moving forward

Taking decisive steps to reduce cost structure and generate earnings growth

- Executed a restructuring program in 2H 2015 to manage through headwinds
- Reduced global headcount by approx. 220 employees in 2015
- Restructuring investments yielding strong results:
 - Excluding Latchways related costs, Q1 2016 SG&A was down 5% on the 7% increase in local currency revenue
 - 330 basis points of operating leverage from SG&A in Q1 2016
- Actively evaluating additional cost reduction opportunities; managing our cost structure remains a key focus area

Previous restructuring investments driving operating margin expansion in slower growth environment

Why Own MSA?



- **Well positioned in a challenging macro environment**

- ✓ Core product sales +11% local currency growth in 2015
- ✓ Total sales +8% local currency growth in 2015
- ✓ SG&A improvements driving operating leverage and earnings growth; focus on controlling costs in slower growth environment
- ✓ Leading market positions across nearly every core product; executing inorganic growth strategy in fall protection

Leading positions in attractive markets

- **Balanced capital allocation strategy**

- ✓ Using strong balance sheet to drive growth and improved profitability – R&D, strategic acquisitions and restructuring programs
- ✓ Increasing dividend for nearly 50 years – 2.7% yield (as of 5/5/16)

Strategic acquisitions and R&D investments

- **Balanced outlook for 2016**

- ✓ Targeting mid-single digit revenue growth in local currency
- ✓ Expect \$10 million of operating expense reduction from 2015 restructuring program
- ✓ Modeling Latchways earnings accretion of \$0.05 - \$0.10 per share for the full year
- ✓ Expect improvements in free cash flow in 2016 as we drive down the higher level of working capital associated with the SCBA manufacturing ramp up

Dividend increases for nearly 50 years

MSD revenue growth in a challenging environment

Driving strong results despite macro headwinds; committed to making strategic investments to capture market share, improve profitability and enhance shareholder value.

*Because every life has a **purpose...***



Q&A

Appendix

MSA Core Product Lines

Selling differentiated core products into diverse markets and geographies



Fixed Gas and Flame Detection



Portable Gas Detection



Industrial Head Protection



Fall Protection



Breathing Apparatus



Fire and Rescue Helmets

Leading market positions across nearly all of our core product groups

Core Product Overview



	Breathing Apparatus	Fixed Gas and Flame Detection	Portable Gas Detection	Industrial Head Protection	Fire and Rescue Helmets	Fall Protection
Percent of total 2015 revenue	27%	21%	13%	11%	5%	5%
5 Year Sales CAGR	11%	16% 6% organic	7%	7%	4%	12% 7% organic
Market position	#1 globally	#1/#2 globally	#2 globally	#1 globally	#1 globally	#3 globally after Latchways acquisition
	<ul style="list-style-type: none"> Revolutionary G1 SCBA launched in 2014, catalyst for share gain and revenue growth Converting competitive accounts with G1 SCBA at a rate of over 50% on all incoming orders Expect replacement cycle to continue through 2016-2017 	<ul style="list-style-type: none"> Robust recurring revenue stream on installed base Lower total cost of ownership and high performance; diverse technologies Holding up well despite challenging conditions in O&G – strong performance outside of Americas 	<ul style="list-style-type: none"> Sensor technology is key differentiator Launched product with world's first stand-alone bump test capability Difficult market conditions in 2015 on lower employment levels within the energy industry 	<ul style="list-style-type: none"> Fas-Trac III suspension system driving market leading position Customization and complementary accessories to leverage strong brand Difficult market conditions in 2015 on lower employment levels within the energy industry 	<ul style="list-style-type: none"> Unparalleled brand loyalty driving leading market position Iconic Cairns brand in North America continues to perform well, and new F1XF helmet is driving higher sales outside of North America 	<ul style="list-style-type: none"> Largest and fastest growing segment of safety market Acquisition of Latchways expands product portfolio, geographic footprint and market coverage Fragmented market – key opportunity area

Reconciliation of Non-GAAP Financial Measures

Local currency revenue growth



Twelve months ended December 31, 2015

	<u>Consolidated</u>
Local currency revenue growth, excluding Latchways	7 %
Latchways acquisition	1 %
Local currency revenue growth	<u>8 %</u>
FX translation	<u>(8)%</u>
GAAP reported revenue growth	<u>— %</u>

Three months ended March 31, 2016

	<u>Consolidated</u>
Local currency revenue growth, excluding Latchways	7 %
Latchways acquisition	6 %
Local currency revenue growth	<u>13 %</u>
FX translation	<u>(4)%</u>
GAAP reported revenue growth	<u>9 %</u>

Management believes that local currency revenue growth is a useful metric for investors, as foreign currency translation can have a material impact on revenue growth trends. Local currency revenue growth highlights ongoing business performance excluding the impact of fluctuating foreign currencies, which is outside of management's control. There can be no assurances that MSA's definition of local currency revenue growth is consistent with that of other companies. As such, management believes that it is appropriate to consider both revenue growth determined on a GAAP basis as well as local currency revenue growth.

Reconciliation of Non-GAAP Financial Measures

Adjusted earnings / adjusted earnings per share



	Three Months Ended March 31,		% Change
	2016	2015	
Income from continuing operations attributable to MSA Safety Incorporated	12,683	9,316	36.1%
Nonrecurring tax charges associated with European reorganization	3,600	7,605	
Subtotal	16,283	16,921	(3.8)%
Currency exchange losses (gains), net	1,950	(2,548)	
Latchways integration costs	511	—	
Restructuring and other charges	470	731	
Asset related (gains), net	(343)	—	
Self-insured legal settlements and defense costs	20	86	
Income tax (expense) benefit on adjustments	(905)	549	
Adjusted earnings	17,986	15,739	14.3%
Adjusted earnings per diluted share	\$ 0.48	\$ 0.42	14.3%

Management believes that adjusted earnings and adjusted earnings per share are useful measures for investors when analyzing ongoing operating trends. There can be no assurances that additional special items will not occur in future periods, nor that MSA's definition of adjusted earnings is consistent with that of other companies. As such, management believes that it is appropriate to consider both net income determined on a GAAP basis as well as adjusted earnings.